

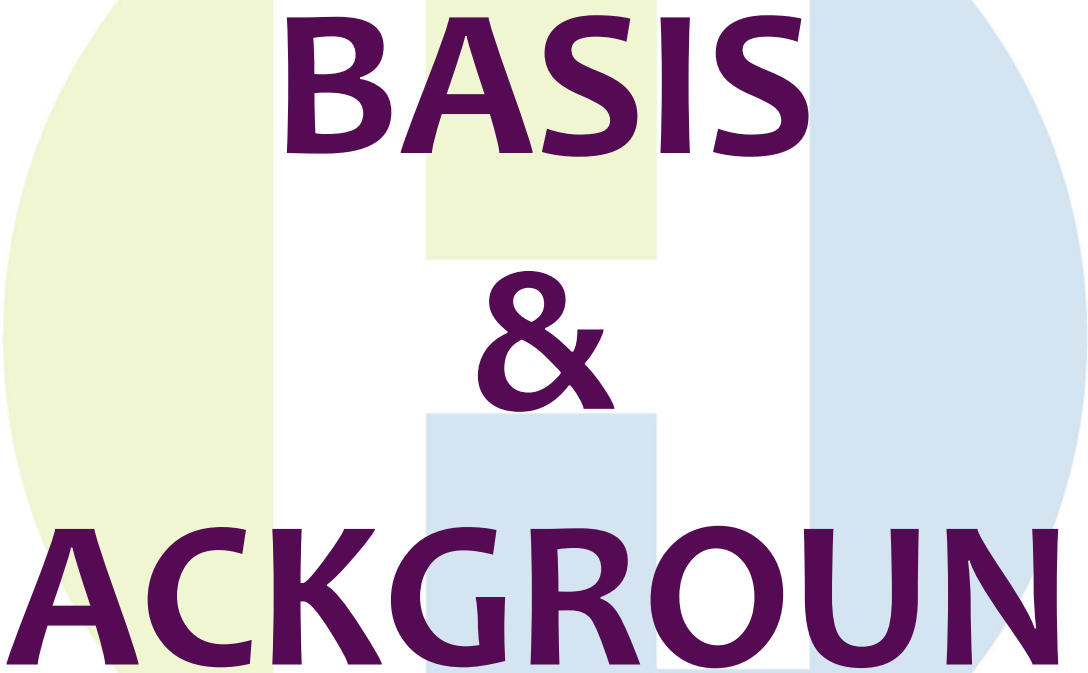


HERNANDO SCHOOL DISTRICT

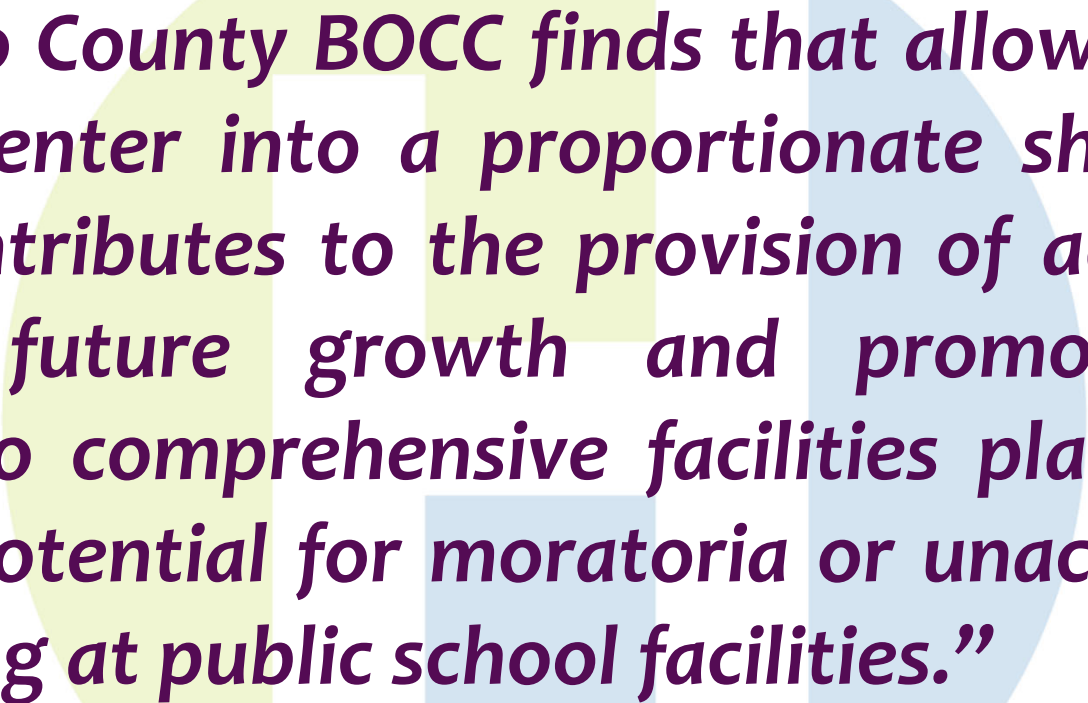
Christopher J. Wilson – C.J. Wilson Law, P.A.
Jim Lipsey – HCSD School Planner

Proportionate Share Mitigation Agreement Template

Date: August 26, 2025



BASIS & BACKGROUND



“The Hernando County BOCC finds that allowing developers the ability to enter into a proportionate share mitigation agreement contributes to the provision of adequate public facilities for future growth and promotes a strong commitment to comprehensive facilities planning, thereby reducing the potential for moratoria or unacceptable levels of overcrowding at public school facilities.”

Hernando County Ordinances – Chapter 23, Article VIII, Sec. 23-269(b)(3)

PROPORTIONATE SHARE MITIGATION

DEFINITION

1. A voluntary, legally-binding commitment to ensure public school concurrency can be achieved
2. Used where school capacity would not otherwise be adequate to support the demand resulting from approval of a proposed development
 - a. Must be at the time the proposed development is being considered (not after approval)
3. The applicant, school district and the county shall be parties to a proportionate share mitigation agreement



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PROPORTIONATE SHARE MITIGATION

APPLICABILITY

1. Any residential development project that creates or increases a capacity deficit within one or more school types:
 - a. Elementary, Middle, or High
 - b. In the subject CSA or an adjoining CSA
2. Includes capacity of all planned school facilities identified in years 1 – 3 of the school district's five-year work program
3. Excludes exempt developments: Age-restricted (55+), etc.



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PROPORTIONATE SHARE MITIGATION

ACCEPTABLE FORMS OF MITIGATION

1. The donation, construction, or funding of school facilities sufficient to offset the demand created by the development
2. Construction of a charter school
3. Mitigation banking based on the developer's construction and/or financing of a public school facility in exchange for the right to sell excess capacity credits

The average capacity deficits for the 11 most recent developments (8 ES & 28 HS students) indicate monetary donations based on cost-per-student-station would be the most proportionate form of mitigation in most cases. ⁽¹⁾



COSTS & CREDITS

PROPORTIONATE SHARE MITIGATION

COST CALCULATION

1. Number of Deficient Student Stations × Cost per Student Station
(Calculated by school type: Elementary, Middle & High)
2. Cost per Student Station
 - a. Published in latest impact fee study (Benesch, 2022) ⁽²⁾
 - 1) Elementary = \$37,939
 - 2) Middle = \$36,487
 - 3) High = \$40,768
 - b. PLUS monthly cost adjustment factor published by EDR ⁽³⁾
<https://edr.state.fl.us/content/conferences/peco/>

PROPORTIONATE SHARE MITIGATION

COST CALCULATION

SAMPLE DEVELOPMENT

STUDENTS (708 SFH x .300 SGR)

Elementary @ 46% = 98

Middle @ 23% = 49

High @ 31% = 66

CAPACITY

Available @ Elementary: (12 + 9 + 77) = 98

Available @ Middle: (49 + 0) = 49

Available @ High: (15 + 0) = 15

PROP SHARE MITIGATION AMOUNT (4)

Deficit x (Cost per Student Station + CSS Adj. Factor) = Dollar Amount

51 x (\$40,768 + (\$40,768 x 0.0969)) = Dollar Amount

51 x (\$44,718.42) = \$ 2,280,639

708 single family homes

213 students generated

DEFICIT

98 students – 98 stations = 0

49 students – 49 stations = 0

66 students – 15 stations = 51



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PROPORTIONATE SHARE MITIGATION

IMPACT FEE CREDITS

Florida Statutes – §163.3180(6)(h)(2)(b)

“The local government shall **credit** such a proportionate-share mitigation payment **toward any impact fee** for public educational facilities **on a dollar-for-dollar basis** at fair market value.

“The credit must be **based on the total impact fee** assessed.”

SAMPLE DEVELOPMENT	708 single family homes
ASSESSED IMPACT FEE (708 SFH x \$ 6,135) ⁽⁵⁾	\$ 4,343,580
PROP SHARE MITIGATION AMOUNT	\$ 2,280,639
IMPACT FEE PER UNIT	÷ \$ 6,135
NUMBER OF IMPACT FEE CREDITS	371.74 = 371 units

PROPORTIONATE SHARE MITIGATION

IMPACT FEE CREDITS

Florida Statutes – §163.3180(6)(h)(2)(b)

SAMPLE DEVELOPMENT	708 single family homes
PLANNED DWELLING UNITS	708
NUMBER OF IMPACT FEE CREDITS (units)	- 371
REMAINING UNITS SUBJECT TO IMPACT FEE	= 337
ACTUAL IMPACT FEE (337 SFH x \$ 6,135)	\$ 2,067,495
PROP SHARE MITIGATION AMOUNT	+ \$ 2,280,639
TOTAL AMOUNT PAID	\$ 4,348,134



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TEMPLATE AGREEMENT

PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Recitals – Identify owner, development name & location, number & type of dwelling units, and school capacity deficiency

Paragraphs

- 1. Incorporates recitals**
- 2. Identifies parties to Agreement**
- 3. Asserts this is a legally binding commitment**
- 4. Describes development's uses and identifies anticipated beginning and completion dates**



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PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

- 5. Presents Proportionate Share Mitigation**
 - a. Formula used to calculate amount**
 - b. Total mitigation amount**
- 6. School capacity to be reserved upon execution of Agreement**
- 7. Prop share amount to be paid in full at final plat, but no later than the first building permit**



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PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

8. Presents Impact Fee Credits

- a. Provides dollar-for-dollar amount of credit, expressed as dwelling units
 - i. Example dollar-to-dwelling-unit credit calculation
- b. Provides for reassignment of impact fee credits to other developments by School Board, upon Applicant's request

9. Prop share amount to be applied to a specific capacity project identified in School Board's 5-Year Work Plan



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PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

10. Impact Fees – Assigns payment responsibility to Applicant; refers to Exhibit “D” for collection, administrative costs, remittance, and reporting
 - a. Provides for 10% surcharge in I-75/SR-50 PDD Area, if applicable
11. Terminates Agreement for one of the following causes, unless School Board agrees to an extension:
 - a. Construction approval not obtained within 2 years from conditional plat approval [*for the County*];

PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

- a. (cont'd) Final plat or site plan approval not obtained within 1 year from preliminary plat approval [*for the City*]
- b. Failure to fully pay prop share amount
- c. Failure to obtain at least one building permit within 3 years from final plat
- d. No refund of any prop share amount paid prior to termination for cause

PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

12. No guarantee of land use/zoning approval
13. Effective Date – After execution by all parties and recording in Hernando County official records by Applicant
14. Term of Agreement expires upon the first occurrence of:
 - a. Performance of all obligations by all parties,
 - b. Written agreement by all parties to cancel,
 - c. Expiration/termination of COC or building permit
 - d. Ten years from the Effective Date



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PROP SHARE MITIGATION AGREEMENT – TEMPLATE (6)

SUMMARY

Paragraphs (continued)

15. Default – If Applicant fails to cure any breach (after 30 days' notice) Applicant and any development on the property lose their rights to school concurrency and impact fee credits

16.–30. Standard conditions for Agreements by public entities

EXHIBIT A – Parcel ID and Description

EXHIBIT B – Map or Plan identifying property

EXHIBIT C – Impact Fee Credit Voucher & Redemption Ledger

EXHIBIT D – Impact Fee Collection Remittance & Reporting



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